

AS Economics Preparation

Into the Sixth Form for September 2018

Summer tasks:

Step 1: Understand why you want to study economics

As most students have never studied this subject prior to AS level, it is really important to answer this question. Economics is a social science which attempts to explain how we organise the world's scarce resources to satisfy society's needs and wants. You are unlikely to be interested in this as an academic subject, unless you are already interested in current affairs. You must watch the news (including <https://www.bbc.co.uk/news/business> and BBC Newsnight BBC2) and read the business section of a quality newspaper (available in the Library) and / or City Am (available daily in the Department). Usually, economists are also interested in politics in order to understand how decisions are made.

You should be interested in answering questions like the following examples:

Why do prices rise / fall?

What is the economic problem? What is opportunity cost? Give examples.

Why do we get paid more if we have 'A' levels or a degree?

Why are footballers and pop stars paid more than nurses?

Should we join the Euro? Will the euro zone / EU survive?

What causes a country to grow faster than another country?

Why is there unemployment? Why can inflation be a problem?

Why should we worry about UK's persistent trade deficit?

What does the Bank of England do to tackle inflation?

What is market failure and how can this be alleviated?

What is globalisation? How do countries compete?

How can developing countries grow faster?

What caused the 2008/9 global economic crisis? What is its impact?

Summer TASK: Try to answer at least 3 or 4 of the above questions and hand in written answers in September.

Look at the following websites:

<http://whystudyeconomics.ac.uk/>

<https://www.youtube.com/watch?v=cmzXGgzWH7g>

<http://www.youtube.com/watch?v=iWgMGRHbyE&feature=related>

www.ft.com/

www.reuters.com

Step 2: Read at least one of the following before September 2018: Only do this if you have fully completed Step 1!

Now that you have decided that you are interested in this subject, you then need to prepare some of the background knowledge that will help you get off to a flying start once you start your AS level in September. Choose AT LEAST **one** of the following books to read. If you find the first one a little boring, then switch to another and try again. Take some effective notes, as these could later help your UCAS application in Y13 too.

1. The Truth About Markets: Why Some Countries are Rich and Others Remain Poor – John Kay (recommended)
2. Everlasting Light Bulbs - John Kay
3. The Armchair Economist: Economics and Everyday Life
4. The Undercover Economist or The logic of life –Tim Harford
5. Money and football. A soccernomics guide (Szymanski).
6. The \$12 million Stuffed Shark – The curious economics of contemporary art and auction houses – Don Thompson
7. How do we fix this mess? The economic price of having it all, and the route to lasting prosperity – Robert Peston
8. Misbehaving: The making of behavioural economics – Richard Thaler
9. The great Divide – Joseph Stiglitz
10. House of Debt – Atif Mian and Amir Sufi
11. Capital in the 21st Century - Thomas Piketty
12. Why Nations Fail: Origins of Power, Prosperity and Poverty (Daron Acemoglu & James Robinson)
13. Worldly Philosophers: Lives, Times, and Ideas of Great Economic Thinkers (Robert Heilbroner)
14. The Economics Book (Niall Kishtainy)
15. The End of Alchmey - Mervyn King (former Governor of the Bank of England)
16. The Courage to Act – Ben Bernanke (former FOMC Chairman)
17. Stress test: Reflections on financial crises (former USA Treasury Secretary T Geithner)
18. The Economics Book – Niall Kishtainy
19. A little history of Economics – Niall Kishtainy
20. Doughnut Economics: 7 ways to think like 21st Century economist –Kate Raworth

21. Cracking Economics – Tejvan Pettinger
22. Misbehaving: The making of behaviour economics -- Richard Thaler
23. The age of Cryptocurrency: How bitcoin and the blockchain are challenging the global economic order
24. The value of everything: making and taking in the global economy - Mariana Mazzucato

Step 3: You are now ready to start studying Economics at Fortismere School.

We look forward to seeing you again in early September!

Note: A YEAR 1 Economics booklet is issued to all Year 12 students in September, filled with useful information about the course content, approaches to reading and writing at AS level and your own **Personalised learning Checklist (PLC)** for each Unit.

You are expected to take your academic work seriously. You **must attend** all your lessons, engage in topical issues discussions and participate in enrichment activities. Provided you study well and keep up with the work, you should enjoy your course immensely.

The **A Level OCR Economics** course (**examined in June 2020 – the 4th cohort to sit national exams**) has been designed to allow you to:

- Think as an economist and develop the range of analytical, questioning, quantitative and reasoning skills to achieve this objective.
- Develop grounding in microeconomics and macroeconomics, by drawing on local, national and global contexts. Develop the ability to make both microeconomic and macroeconomic decisions in specific contexts
- Develop an appreciation of economics concepts and theories in a range of concepts and develop a critical consideration of their value and limitation in explaining real world phenomena.
- Develop your skills as independent learner, critical thinker and decision-maker – all personal assets that can help you stand out in the workplace]
- Gain knowledge and understanding of the key aspects of economic theories and policies and the impact which these have on the economy and on economic agents
- Compare the likely effectiveness of economic policies in relation to the achievement of particular economic objectives
- Confront issues, tackle the challenges these issues raise and engage in debate and discussion with fellow students.

- Appreciate the contribution of economics to the understanding of the wider economic and social environment

Assessment

There are 3 compulsory components, focusing on microeconomics, macroeconomics and themes in economics. The Themes in economics component offers you the opportunity to apply theories and concepts to up-to-date concepts.

- There is no coursework
- There are 3 x 2 hour exams in June 2020

Progression

NO prior learning or knowledge of economics is required to take A Level Economics. But for students who have taken GCSE Economics, then a B grade is the minimum requirement.

History, geography, business, mathematics and sciences complement the study of economics at A level. Psychology and sociology also engage the learner to think about their personal circumstances and their role in society.

Use of diagrams in Economics: Diagrams are a useful way of illustrating what is happening in a market or in the economy as a whole, and also of analysing the effect of any changes made.

Economics is a rigorous academic subject which is well respected by Universities and employers alike.

It develops students' ability to absorb a variety of arguments or ideas, discuss them and draw their own conclusions. This is an invaluable skill which will be beneficial to you in further education and employment, and will also improve social skills.

Component 1: Microeconomics - A brief overview

Microeconomics concerns itself with the study of economics and decisions taken at the level of the individual firm, industry or consumer household. It is also concerned with how prices are determined in markets. The Component will also enable you to:

- Discuss and evaluate how well microeconomic theories explain our observations of economic agents in the real world
- Understand how imperfections and market failures can lead into a discussion of the merits and drawbacks of government intervention
- Consider the usefulness of theory in explaining observations taken from the real economic world

Component 2: Macroeconomics - A brief overview

Studying macroeconomics will help you understand how the economy functions on a both a domestic and global level. The Component will help you to:

- Adopt a critical approach to the study of policy through the development of your understanding of the limitations and conflicts which macroeconomic policies cause
- Consider policy approaches in an historic and current context, in order to understand how macroeconomics has changed over time

Component 3: Themes in Economics – A brief overview

- This Component will draw on both microeconomic and macroeconomic components. You will be expected to apply these components to a specific unseen theme.
- The Component will also have a multiple choice section, covering the whole syllabus.

A Level Economics (Begins September 2018)

A Level specification course overview

H460		
COURSE OVERVIEW		
Component 1	Microeconomics	
	Scarcity and choice	The basic economic problem
		The concept of the margin
		Opportunity cost
		Specialisation of trade
	How competitive markets work	Allocation of resources
		The objectives of economic agents
		Supply and demand and the interaction of markets
		Elasticity
		Productive and allocative efficiency
	Competition and power	Business objectives
		Market structures and their implications for the way resources are allocated and the interdependence of firms
	Labour market	Wage determination
		Labour market issues and themes
		Government intervention
	Market failure and government intervention	Market failure
		Externalities
		Market power
		Information asymmetries
		Public goods
Inequity		
Environment		
Alternative methods of government intervention		
Government failure		

H460		
COURSE OVERVIEW		
Component 2	Macroeconomics	
	Economic policy objectives and indicators of macro-economic performance	Economic growth and development
		Unemployment
		Inflation
		Income distribution
		Trends in macroeconomic indicators
	Aggregate demand and aggregate supply	Circular flow of income
		Aggregate demand
		Aggregate supply
		Macroeconomic equilibrium
		The Phillips Curve
		The economic cycle
	The application of policy instruments	Fiscal policy
		Monetary policy
		Supply-side policy
		Policy conflicts
		Approaches to policy and macroeconomic context
The global context	Globalisation	
	International trade	
	Balance of payments	
	Exchange rates	
	Trade policies and negotiations	
The financial sector	The role of the financial sector in the real economy	
	The financial sector in developing and emerging economies	
	Role of the central bank	
	Financial regulation	
Component 3	Themes in Economics	
	Themes in Economics	This unit will draw on the content of components 1 and 2 and will require the candidates to consider the theory which has been studied on those components in a 'real world' context

Grade scale

A level qualifications are graded on the scale: A*, A, B, C, D, E, where A* is the highest. Learners who fail to reach the minimum standard for E will be Unclassified (U). Only subjects in which grades A* to E are attained will be recorded on certificates.

Note: Year 2 studies covers more advanced topics.

A Level Economics Exam Structure for June 2020 national exam

H460						
ASSESSMENT OVERVIEW						
Component			Marks	Duration	Weighting	Assessment Objectives (AOs)
Component 1	Microeconomics		80	2 hrs	33.33%	Across the three components, each Assessment Objective (AO1, AO2, AO3 and AO4) will comprise 25% of the qualification
	Section A	Data response	30			
	Section B	Two essays, from a choice of four	50			
Component 2	Macroeconomics		80	2 hrs	33.33%	
	Section A	Data response	30			
	Section B	Two essays, from a choice of four	50			
Component 3	Themes in Economics		80	2 hrs	33.33%	
	Section A	Multiple choice	30			
	Section B	Extended data response	50			